



# AUSTRALIAN FOREIGN EXCHANGE COMMITTEE

## MINUTES OF NOVEMBER 2018 MEETING

Tuesday 20 November 2018  
Reserve Bank of Australia  
65 Martin Place

### **Attendees**

Christopher Kent, RBA (Chair)  
Keith Sedergreen, ACI Australia  
Mark McCarthy, AFMA  
Ilan Dekell, AMP  
Luke Marriott, ANZ  
Mark Ferguson, Australian Super  
Winnie Tan, Bank of China  
David Hatzidis, CBA  
Andrew Walsh, Citigroup  
Lee Merchant, Deutsche Bank  
David Kendrick, HSBC  
Simon Watkin, NEX  
Andrew Mourd, JP Morgan  
Will Richardson, Macquarie Bank (via conference call)  
Mark Lawler, National Australia Bank  
Stuart Simmons, QIC  
Gary Latner, Refinitiv  
Simon Sukhaseume, SSGA  
Graeme Edie, Westpac  
Chris Knight, XTX Markets (via conference call)

### **Apologies**

Stewart Cox, BHP Billiton

### **Guests**

James Kemp, GFMA  
John Ball, GFMA

### **Secretariat**

Matthew Boge, RBA (Secretary)  
Jason Griffin, RBA

## **1. Competition Guidelines**

The Chair reminded attendees that the AFXC meeting would be conducted in-line with the RBA's [Competition Law Guidance](#).

## **2. Briefing from the GFMA's Global FX division**

Representatives from Global Financial Markets Association's (GFMA's) Global FX division provided an overview of their recent consultation on Monday morning's opening hours. They discussed why they undertook the work and why it had been decided not to proceed any further. Although it was noted that there were potential benefits for some participants to delaying opening hours, there was not enough evidence to conclude that a delayed open would improve market liquidity. Other challenges included changes to trade documentation and that any such change would be unsuitable for a range of regional stakeholders.

## **3. Minutes of previous meeting**

The minutes of the previous meeting were accepted without modification.

Minutes to the AFXC meeting are currently published after the members approve them at the subsequent meeting, generally resulting in a three month publication lag. Going forward, it was proposed that the Minutes be approved and published with a lag of approximately two weeks. Members agreed but noted that the publication schedule may sometimes need to accommodate the timing of minutes from related forums (such as GFXC meetings).

## **4. GFXC Work Agenda**

At the Global Foreign Exchange Committee (GFXC) meeting in Paris on 29-30 November, the AFXC will be represented by the Chair and by the member from NAB. The AFXC discussed several items on the GFXC's meeting agenda.

### **a. Disclosures**

The Chair summarised output from the GFXC's Working Group on Disclosures. This work had been broken into two parts: the first workstream produced a paper which market participants could use to develop and review FX disclosures, and the second workstream would focus on the challenges related to anonymous e-trading platforms.

AFXC members supported publishing the first workstream's guide on disclosures and members also supported proceeding with the second workstream, but wanted to review progress on that work around the time of the first GFXC meeting in 2019. It was also noted that the GFXC should consider providing guidance on the status of these papers relative to the Code.

b. 'Cover and Deal'

The Secretary briefed the Committee on an information paper that had been written by the GFXC's Working Group on 'Cover and Deal'. AFXC members supported the publication of the paper and also discussed how the paper could be promoted across the industry.

c. Buy-side Liaison

The member from QIC provided an update on the activities of the GFXC's buy-side liaison group (of which he is a member). The group has three streams of work: questionnaires of organisations that have not signed a Statement of Commitment to the Code; a survey of those who had signed Statements; and clarifying the role that 'proportionality' can play in adherence.

The member from QIC sought feedback from members on ways to expand participation in the group's case studies and survey.

**5. Hedging of FX fixing orders**

The member from AFMA noted its Debt Securities Committee was looking into the implications of the newly introduced benchmark legislation for trade execution/hedging, such as market-on-close transactions in the bond futures market. The member noted that he would welcome input from AFXC members about their hedging processes around FX fixes.

**6. Next meeting**

To be advised.